

Randall J. Weddle  
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(907) 274-0666

Attorneys for Defendant

**RECEIVED**

DEC 17 2001

DORSEY & WHITNEY L.L.P.  
ANCHORAGE

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ALASKA

ALTERNATIVES COMMUNITY )  
MENTAL HEALTH CENTER, INC., )  
Plaintiff, )

vs. )

FRONTIER INSURANCE COMPANY, )  
Defendant. )

**DOCKETED**

Case No. A01-294 CIV

**NOTICE OF FILING ORDER OF REHABILITATION**

Defendant Frontier Insurance Company hereby serves notice of the filing of an Order of Rehabilitation which was filed in the New York County Clerk's Office on October 15, 2001, and which provides at paragraph 7, page 3 that all persons are enjoined and restrained from commencing or prosecuting any actions, lawsuits or proceedings against Frontier.

DATED this 15<sup>th</sup> day of December, 2001, at Anchorage, Alaska.

**HOLMES WEDDLE & BARCOTT**  
Attorneys for Defendant

By:



Randall J. Weddle  
Alaska Bar No. 7206034  
Colby J. Smith  
Alaska Bar No. 9910075

**COPY**

Exhibit A  
Page 1 of 8

**HOLMES WEDDLE & BARCOTT**  
701 WEST EIGHTH AVENUE, SUITE 700  
ANCHORAGE, ALASKA 99501-3408  
TELEPHONE (907) 274-0666

I hereby certify that a  
true and correct copy of  
the foregoing was served  
via mail this 13<sup>th</sup> day  
of December, 2001 on:

John Treptow, Esq.  
Dorsey & Whitney, LLP  
1031 West 4<sup>th</sup> Avenue  
Suite 600  
Anchorage, AK 99501

  
Cory L. Hitchcock

G:\4043\16755\pld\Ntc Filing Rehab Order

**HOLMES WEDDLE & BARCOTT**  
701 WEST EIGHTH AVENUE, SUITE 700  
ANCHORAGE, ALASKA 99501-3408  
TELEPHONE (907) 274-0666

ALTERNATIVES COMMUNITY MENTAL HEALTH CENTER, INC. V. FRONTIER INSURANCE  
COMPANY, Case No. A01-294 CIV Page 2

Exhibit A  
Page 2 of 8

At LAS Part 19 of the Supreme Court  
of the State of New York, County of  
New York, at the Courthouse, 60  
Centre Street, New York, New York  
on the 10<sup>th</sup> day of October, 2001.

P R E S E N T :

HON. EDWARD H. LEHNER

JUSTICE

-----X  
In the Matter of

Index No.: 405090/C1

The Application of

**ORDER OF  
REHABILITATION**

GREGORY V. SERIO, as Superintendent of Insurance  
of the State of New York, for an order to take  
possession of the property of and rehabilitate

FRONTIER INSURANCE COMPANY  
-----X

FILED  
OCT 15 2001  
NEW YORK  
COUNTY CLERK'S OFFICE

Petitioner, Gregory V. Serio, Superintendent of Insurance of the State of New  
York (the "Superintendent"), having moved this Court for an order to take possession of  
the property of and rehabilitate Frontier Insurance Company ("Frontier");

NOW, upon reading and filing the order to show cause signed August 27,  
2001, the petition of Gregory V. Serio, Superintendent of Insurance, by Kevin Rampe,  
First Deputy Superintendent, duly verified August 24, 2001 and the emergency affidavit  
of Kevin Rampe sworn to on August 27, 2001; (the exhibits annexed thereto); the cross  
motion by Frontier Insurance Group dated September 7, 2001, the annexed proposed  
petition, the affidavit of Suzanne Loughlin sworn to on September 7, 2001, the exhibits  
annexed thereto; the affirmation in opposition by Mary Nicholls dated September 7,  
2001; the affirmation in opposition by Adam J. Glatt dated September 7, 2001; the  
affidavit of Kevin Rampe sworn to on October 3, 2001, and the exhibits annexed thereto;

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and the reply affidavit of Joseph Termini sworn to on October 3, 2001 and it appearing to my satisfaction that:

1. Frontier was incorporated in New York as a stock property/casualty insurer on November 2, 1962 and commenced business on August 17, 1966;
2. Frontier's principal place of business is located at 195 Lake Louise Marie Road, Rock Hill, New York in Sullivan County. Frontier's tax ID number is 13-2559805;
3. Frontier is subject to the New York Insurance Law and particularly to article 74 thereof;
4. Frontier is insolvent;
5. Frontier has failed to cure its impairment of capital or minimum surplus to policyholders;
6. Frontier has consented to the entry of the order of rehabilitation; and
7. It is in the best interest of Frontiers's policyholders, creditors and the general public that the Superintendent be directed to take possession of Frontier's property and to rehabilitate its business and affairs;

And, the Petitioner, having appeared by the Hon. Eliot Spitzer, Attorney General of the State of New York, and due deliberation having been had;

NOW, on motion of Hon. Eliot Spitzer, Attorney General of the State of New York, it is ORDERED as follows:

1. The petition is granted and the cross-motion is withdrawn;
2. Gregory V. Serio, Superintendent, and his successors in office as Superintendent, is appointed Rehabilitator of Frontier and is authorized and directed to immediately take possession of its property, conduct its business, including but not limited to settling claims within his sole discretion, take such steps toward the removal of the causes and conditions which made this proceeding necessary as he shall deem wise and expedient, and deal with the property and business of Frontier in its name or in the name of the Superintendent as Rehabilitator;

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3. Notice to all persons having claims against Frontier to file or present their claims to the Superintendent as Rehabilitator is deferred until further order of this court;
4. Frontier, its officers, directors, depositories, trustees, agents, servants, employees, and all other persons, having any property or records belonging or relating to Frontier, including, but not limited to insurance policy, loss claim and legal files are directed, upon request of the Superintendent as Rehabilitator to assign, transfer, set over and deliver to him all such property or records;
5. Any persons, firms, corporations, or associations having any books, papers or records relating to the business of Frontier shall preserve them and submit them to the Superintendent as Rehabilitator for examination and copying at all reasonable times;
6. All persons including, but not limited to the officers, directors, shareholders, trustees, agents, servants, employees, attorneys, and managers of Frontier, are enjoined and restrained from the transaction of Frontier's business, the waste or disposition of its property, interfering with the Superintendent as Rehabilitator in the possession, control and management of Frontier's property or in the discharge of his duties;
7. All persons are enjoined and restrained from commencing or prosecuting any actions, lawsuits, or proceedings against Frontier, or the Superintendent as Rehabilitator;
8. All persons are enjoined and restrained from obtaining preferences, judgments, attachments or other liens or making any levy against Frontier's assets or any part thereof.
9. All parties to actions, lawsuits, and special or other proceedings in which Frontier is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from proceeding with any discovery, court conferences including but not limited to pre-trial conference, trial, application for judgment or proceedings on settlements or judgments for a period of one hundred and eighty days from the date of entry of this order.
10. Those persons who may have first-party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against Frontier coming within the purview of Article 76 of the Insurance Law are enjoined from presenting and filing such claims in this proceeding for 90 days from the date of entry of this order.

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11. In addition to the powers enumerated above and those delegated to the Rehabilitator in the New York Insurance Law, the Rehabilitator, by Order to Show Cause on notice to interested parties, including without limitation Frontier's sole shareholder, and subject to court approval, may sell or otherwise dispose of all or any part of the real and personal property of Frontier, sell any line of insurance, and take such other actions as set forth in Section 7428 of the New York Insurance Law.
12. That the Superintendent of Insurance, as Rehabilitator, may at any time make further application at the foot of this Order to this Court for such further and different relief as he sees fit.
13. All further papers in this proceeding shall bear the caption:

In the Matter of

The Rehabilitation of

FRONTIER INSURANCE COMPANY

ENTER

J.S.C.

RehOrder 1

FILED  
OCT 15 2001  
NEW YORK  
COUNTY CLERK'S OFFICE

Sir: Please take notice that the within is a true copy of duly filed and entered in the office of the clerk of County, on the day of 2001  
 Yours, etc.,

**ELIOT SPITZER**  
 Attorney General,

Attorney for  
 Office and Post Office Address  
 120 Broadway, New York, N.Y. 10271

To: , Esq.

Attorney for

Sir Please take notice that the within

will be presented for settlement and signature herein to the Hon. one of the Judges of the within named Court, at

In the Borough of City of New York, on the day of , 2001.  
 Date, N.Y., Yours, etc., , 2001

**ELIOT SPITZER**  
 Attorney General,

Attorney for  
 Office and Post Office Address  
 120 Broadway, New York, N.Y. 10271

To: Esq.

Attorney for

<b>SUPREME COURT : NEW YORK COUNTY</b>
In the Matter of the Application of <b>GREGORY V. SERIO, as Superintendent of Insurance of the State of New York, for an order to take possession of the property of and rehabilitate</b>
<b>FRONTIER INSURANCE COMPANY</b>
<b>ORDER OF REHABILITATION</b>
<b>ELIOT SPITZER</b> Attorney General
Attorney for the Superintendent of Insurance Office and Post Office Address 120 Broadway, New York, N.Y. 10271
Tel.
Personal Service of a copy of within.....day of is admitted this.....day of .....2001

Sir: Please take notice that the within is a true copy of duty filed and entered in the office of the clerk of County, on the day of 2001 Yours, etc.,

**ELIOT SPITZER**  
 Attorney General,

Attorney for  
 Office and Post Office Address  
 120 Broadway, New York, N.Y. 10271

To: Esq.,

Attorney for

Sir  
 Please take notice that the within

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In the Borough of City of New York, on the day of Date, N.Y., 2001 Yours, etc.,

**ELIOT SPITZER**  
 Attorney General,

Attorney for  
 Office and Post Office Address  
 120 Broadway, New York, N.Y. 10271

To: Esq.,

Attorney for

<b>SUPREME COURT : NEW YORK COUNTY</b>
In the Matter of the Application of <b>GREGORY V. SERIO, as Superintendent of Insurance of the State of New York, for an order to take possession of the property of and rehabilitate</b>
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<b>ORDER OF REHABILITATION</b>
<b>ELIOT SPITZER</b> Attorney General Attorney for the Superintendent of Insurance Office and Post Office Address 120 Broadway, New York, N.Y. 10271
Tel.
Personal Service of a copy of within.....day of is admitted this.....day of .....2001